

## EPORT

A blank coordinate system with a horizontal x-axis and a vertical y-axis. The axes are labeled 'x' and 'y' at their respective ends. The origin is marked with a small square. The axes are drawn with solid lines, and the background is white.

DATE OF INFORMATION 1949

DATE DIST. 4 Aug 1949

NO. OF PAGES

**SUPPLEMENT TO  
REPORT NO.**

**THIS IS UNEVALUATED INFORMATION**

SOURCE      Ta Kung Pao.

**COMMUNIST EDITOR SAYS  
KMT BLOCKADE INEFFECTUAL**

The KMT reactionary diehards have proclaimed a so-called blockade of the Liberated Areas' coastal ports in an effort to disrupt expanding foreign and domestic trade and the economy of the Liberated Areas. The ultimate objective is to impede the offensive of the People's Army and thus earn a chance at recovery.

Can this so-called blockade really be so effective as to cut off our foreign trade, disrupt production, and create social and economical chaos in the Liberated Areas? Let us examine its effectiveness.

Although shipping between Hong Kong and Shang-hai is now at a standstill, goods from Hong Kong are continuing to come into Shang-hai and North China via the coast of Chekiang Province, or by way of Kuang-chou and Ch'angsha and finally into the Liberated Areas. A large amount of goods, mostly pharmaceuticals, papers, and dyes, are now arriving by these routes, while others are coming through Kiangai by way of the Chekiang-Kiangai Highway. All of these routes are well-protected and constantly guarded by the People's Army.

Many roads and railroads which lead into Shang-hai, the center of the transportation network, have been completely repaired or are now being repaired. Railroad lines which have resumed normal operations are the Nan-ching--Shang-hai, Shang-hai -- Hang-chou, T'ien-ching -- P'u-k'ou, Pei-p'ing -- Han-k'ou, and Lien-yun -- Lan-chou lines. Those which are now being repaired are the Kiangai-Chekiang line and the northern portion of the Kwangtung -- Hank'ou line. Also, the Pei-p'ing -- Shang-hai line is now resuming normal operation. The national highway from Nan-ching to Hang-chou; other highways from Shang-hai to Chia-pei; Ning-po to Shang-hai; Hang-chou, Feng-hua, and Ch'u-chou to Chin-hua; and the Wu-yuan, Chiang-shan, and Suma-chiang to Min-hang lines are all now opened to traffic. As for the waterways, the routes from Shang-hai to Han-k'ou, T'ien-ching, Ch'ing-tao, and Lien-yun are all open to navigation. From 25 May to 25 June 1949, 412 privately-owned and 205 government-owned ships navigated on these routes.

**RESTRICTED**

[illegible]

**RESTRICTED**

STAT

Although the Nationalists are trying to prevent coal from reaching industries in Shang-hai, it is being obtained in large quantities from Hsai-nan, Chung-hsing, and the K'ai-luan coal mines. These coal mines are also supplying coal to industries south of the Yang-tzu River, and some is exported. Although our kerosene production at present is uncertain, cracking factories have succeeded in producing gasoline, kerosene, and heavy oil from tung oil. Postwar tung-oil production has reached an average of 180,000 metric tons per year so fuels for industrial expansion will not be a bottleneck.

The majority of our industries require cotton as their raw material, but there is no danger of a shortage. In the central Hopeh district, 550,000 acres of cotton were planted this spring, about 50,000 acres more than originally planned. All that is now necessary is normal operation of the transportation system to carry this cotton to the cotton mills in Shang-hai. The largest cotton-producing areas are the Shih-chia-chuang and Chi-nan areas, and this cotton is better and cheaper than that imported from the US and India; consequently, if we increase cotton production slightly, cotton from foreign countries will not have to be imported.

Sufficient food for our people is now coming from Wu-fu, Wu-hsi, and the delta area of the Yang-tzu River; also some from the Tung-t'ing Hu and Pin Hu areas. The 6 million people in Shang-hai will not starve because of the blockade.

Thus the Nationalists "blockade" is merely an act of barbarism before the party's final demise.. As history reveals, the allied blockade of the USSR at the time of her revolution, and the blockade of China by the Japanese, with their strong naval air force, were ineffectual. Will it be possible for the Nationalists to blockade us with the battered warships and airplanes they have? Will it be possible to inflict enough damages to cripple our industries in the Liberated Areas? This blockade will only anger Chinese at home and overseas, and the democratic peoples of the world.

- E N D -

- 2 -

**RESTRICTED**